

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1021

**Bill Subtitle: TO AMEND THE LAW REGARDING A MICROBREWERY-RESTAURANT LICENSE;
AND TO AUTHORIZE CERTAIN MICROBREWERY-RESTAURANT LICENSEES TO
SELF-DISTRIBUTE.**

Basic Change :

Sponsor: Rep. Maddox

HB1021 allows a licensed microbrewery-restaurant to directly distribute beer, malt beverage, or hard cider to a retail license holder when the microbrewery-restaurant is in a county with a population of 50,000 or less. Currently, a microbrewery-restaurant may sell beer, malt beverages, or hard cider manufactured by the small brewery-restaurant to a wholesale license holder for distribution.

HB1021 provides different standards for self-distribution for microbrewery-restaurants than existing standards for microbreweries in § 3-5-1405(6). Specifically, a microbrewery may only self-distribute to retail license holders when it produces 15,000 barrels or less per year and acquires an additional small brewery wholesale permit. HB1021 allows a microbrewery-restaurant to self-distribute when it produces 45,000 barrels or less per year without an additional small brewery wholesale permit.

Revenue Impact :

Arkansas beer tax is levied at the wholesale level and reported and remitted to the Department of Finance and Administration (DFA) on the 15th of each month. HB1021 would have no known wholesale level revenue impact.

Taxpayer Impact :

A licensed microbrewery restaurant would be able to directly distribute beer, malt beverages, or hard cider to a retail license holder provided that the microbrewery restaurant is located in a county with a population of 50,000 or less.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

None.

Other Comments :

None.

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Legal Analysis :

HB1021 refers to "licensed retailers" while existing law in § 3-5-1204(a)(7) refers to the same entities as "retail license holders." HB1021 may benefit from an amendment to utilize existing statutory language.